

To: Corporate Scrutiny Committee

From: Essex County Council Policy Unit

Date: 24th February 2022

LEVELLING UP WHITE PAPER

1. This paper sets out high level initial analysis of the LU White paper published by the government 2/2/22.
2. The White Paper is structured in three parts.
 - a. Chapter 1 – sets out the evidence base in relation to geographical inequalities. It provides an analysis around ‘six capitals’ whose interaction and mutual reinforcement are the drivers of growth.
 - b. Chapter 2 – sets out the systems reform proposed. This section contains the section on ‘empowering local decision making’ (2.3.3) which sets out the detail of the proposed approach to devolution deals.
 - c. Chapter 3 – sets out the policy programme – based on 12 Missions to be achieved by 2030 that are widely drawn to encompass a focus on the economy, transport, digital connectivity, education, skills, health, housing, pride in place, and crime. The focus on 2030 is important as it commits the government beyond a single Spending Review period.
3. The logic of the structure and the broader presentation of the paper is that levelling up requires both changes to the mechanics of government (systems) to reduce the over-centralisation of the state; and multi-dimensional interventions (policy programme) in specific places to address ‘the most important economic and societal challenges facing the UK today where concerted, collective action is required if LU is to be achieved’.

Levelling Up Missions

4. The policy programme is conceived as a set of 12 Missions – based on the framework for medium-term, cross-sectoral policy challenges, promoted by the economist Mariana Mazzucato. The 12 missions to level up the UK by 2030 are:
 - Increased pay, employment and productivity. Every area will have a globally competitive city, and the gap between the top-performing and others will close
 - Investment into Research & Development outside of the Greater South East will increase by at least 40%, with government seeking to increase private-sector growth by at least twice as much
 - Local transport connectivity will be closer to London standards, with improved services and integrated ticketing
 - The UK will have nationwide gigabit-capable broadband and 4G coverage. Many areas will have 5G coverage
 - The number of people completing high-quality skills training will have increased significantly in every region. This should lead to 200,000 more people completing this type of training in England
 - The gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed. HLE will rise by five years by 2035

- Wellbeing will improve in every area of the UK
 - People's pride in where they live and engagement in local culture will have risen in every area of the UK
 - Renters will have a safe pathway to ownership, and there'll be more first-time buyers in every area. The number of non-decent rented homes will halve
 - Homicide, serious violence and neighbourhood crime rates will drop
 - Every area of England that wants a devolution deal will have one
5. Whilst the systems dimension of the White Paper is effectively a universal offer with 'every part of England' offered a devolution deal by 2030 if it wants one, pretty much every other Mission description suggests some form of targeting with language such as 'closing the gap between the top performing and other areas'; 'focused on the worst-affected areas'; 'biggest improvements in the lowest performing areas'.
 6. Overall, the Government's approach to levelling up as set out in the missions is consistent with the approach we are taking in Essex, as reflected in our recent Essex White Paper on Levelling Up. Both the UK and Essex approaches reflect the need to take a holistic approach, bringing together people and place issues in an integrated way; the need to be focused and prioritised; and the need to bring together public services, businesses, the voluntary sector and communities in a shared endeavour.
 7. The challenge for Essex will be that while we have areas within the county that are in need of levelling up against the mission criteria, Essex as a whole is relatively prosperous compared to other parts of the country and therefore risks being overlooked if the Government focuses purely on data at an aggregate county or regional level. There is an additional challenge in that Essex has been included as part of the "Greater South-East" (for example for the mission concerning R&D) and is therefore counted as a region that is already levelled up rather than one that needs levelling up.
 8. We will therefore need to continue engaging Government to persuade them that levelling up needs to focus not only on county/regional data but on data at a district level. We will be strengthened in doing so by having our own strong programme of levelling up in Essex that is well aligned to the national programme.

Devolution

9. The White Paper sets out for the first time a uniform national framework for devolving powers to local areas. Importantly, this framework is explicitly designed for county and two-tier areas like Essex, not just the metropolitan areas where devolution has previously been focused. The White Paper has set a timescale that every part of England that wants a Devolution Deal and meets the conditions will have one by 2030 and the following places were announced alongside the White Paper as being first in line for Devolution Deals: Suffolk; Norfolk; Cornwall; Derbyshire and Derby; Devon, Plymouth and Torbay; Durham; Hull and East Yorkshire; Leicestershire; and Nottinghamshire and Nottingham.
10. The White Paper sets out the following key elements of the framework for devolution:
 - Devolution will apply to a functional economic geography (FEA) and/or a county area with a population of 500,000+.

- Deals will be agreed only with County Councils or Unitaries. Districts are not formally part of the discussions though they are encouraged to get involved in new arrangements.
- There is a flexible governance framework that allows for three different governance models: (a) a single institution with a directly elected mayor or leader; (b) a single institution without a directly elected mayor or Leader; or (c) local authorities working together, e.g. through a joint committee. The greatest powers are reserved for places that opt for a directly elected mayor or leader. A directly elected mayor or leader will have access to powers that include the following:
 - Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations
 - Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement
 - Long-term investment fund, with an agreed annual allocation
 - Role in design and delivery of contracted employment programmes
 - Ability to establish Mayoral Development Corporations (with consent of host local planning authority)
 - Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding
 - Ability to introduce supplement on business rates (increases subject to ballot)
- Local Government Reform (i.e. unitarisation) is not a requirement for securing a Devolution Deal and will only be progressed under existing legislation where there is broad local support. Indeed the mood of the paper seems to caution against this: ...'[LGR] could distract from the implementation of improved local government services and outcomes, and delay the agreement and implementation of devolution deals'.
- A new independent body will be set up focusing on data, transparency and robust evidence. This will boost transparency and help local places learn from each other. It will also “increase central government’s understanding of the local government sector, measure efficiency and area variation”.
- LEPs will continue in place unless and until Devolution Deals are agreed, when their functions will transfer over to the new lead authority (Mayoral Combined Authority or County Council), although it recognises that there will need to be further consideration in cases where the LEP and Devolution boundaries do not align.

Region-specific announcements

The final part of the main body of the White Paper sets out key investments and announcements related to levelling up on a regional basis both forthcoming and already delivered. For the East of England this includes previously known announcements including; £87m of investment through the levelling up fund and £287m for 12 towns across the region including Colchester, major infrastructure projects such as the Lower Thames Crossing, and the new Institute of Technology in South Essex.

Essex was not included as one of the newly announced Education Improvement Areas which includes “Peterborough, Bedford, Central Bedfordshire, Norfolk, Luton, Suffolk and Cambridgeshire”, however the paper highlights an extra £292m additional funding (+5.9% per pupil) across the region for mainstream school places.